

# BALANCED BUDGET PROPOSAL 2013: OVER THE BRIDGE

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Office of the  
Town Manager  
1.24.2012



# Balanced Budget Framework

- Maintenance/Optimization of Existing Town Services
- BOS Goals
- Preservation of Town Assets
- Sustainability
- Coordination and Efficiency
- Economic Vitality
- Land Stewardship
- Appearance of Town



# Citizen Survey 2010

- Overall quality of life in
- Needham as good or excellent - 96%
- Needham as a place to live - 98%
- Overall increase satisfaction levels 2008 – 2010
- Stable property values indicative of Needham's high level of desirability





# Fiscal Discipline

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- Working within recurring revenue to fund operations
- Controlling legacy costs
- Refraining from drawing down reserves
- Increasing reserves
- Maintaining AAA bond rating
- Refraining from over-committing in “good years”



# Investing in Needham's Future

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- Predictability and transparency
- Changes in zoning to incent development
- Investment in infrastructure positions the Town for increased, targeted development
- Investing in partnership with other entities (surrounding communities & the Commonwealth)



# Facility and Infrastructure Investment

Description	2008	2009	2010	2011	2012	Total	Five Year Average
Open Space	0	0	920,000	800,000	0	1,720,000	344,000
Municipal Facilities	180,000	7,760,000	18,204,837	548,000	8,150,000	34,842,837	6,968,567
Townwide Facilities and Community Services	291,500	1,870,000	556,291	455,600	622,500	3,795,891	759,178
Public Works Infrastructure Program	1,150,000	1,090,000	1,000,000	2,186,300	1,225,000	6,651,300	1,330,260
School Facilities	20,475,000	1,030,000	27,668,728	4,052,000	1,078,000	54,303,728	10,860,746
Drains, Sewer, and Water Infrastructure	2,956,800	4,322,500	2,533,300	1,483,800	8,269,500	19,565,900	3,913,180
Total	25,053,300	16,072,500	50,883,156	9,525,700	19,345,000	120,879,656	24,175,931

# Equipment & Technology

Description	2008	2009	2010	2011	2012	Total	Five Year Average
Equipment	1,241,235	448,061	1,083,681	1,364,903	729,763	4,867,643	973,529
All Other Functions	25,000	43,500	25,000	68,000		161,500	32,300
Public Facilities & Works	1,081,200	352,511	977,000	1,189,253	610,063	4,210,027	842,005
Public Safety	58,700					58,700	11,740
Public School	76,335	52,050	81,681	107,650	119,700	437,416	87,483
Technology	219,079	443,520	194,393	389,400	306,596	1,552,988	310,598
All Other Functions			25,000	282,800	145,000	452,800	90,560
Public Facilities & Works		85,280				85,280	17,056
Public Safety	25,000	100,000		68,000	112,496	305,496	61,099
Public School	194,079	258,240	169,393	38,600	49,100	709,412	141,882
Vehicles	804,123	862,427	635,133	743,334	1,067,500	4,112,517	822,503
All Other Functions		14,000			52,000	66,000	13,200
Public Facilities	28,500			65,046	25,000	118,546	23,709
Public Safety	197,832	343,034	153,900	176,888	400,000	1,271,654	254,331
Public Works	577,791	505,393	481,233	501,400	590,500	2,656,317	531,263
Total	2,264,437	1,754,008	1,913,207	2,497,637	2,103,859	10,533,148	2,106,630

# Financial Forecast: Room for Optimism

- Actual **local receipts** in FY2011 were higher than FY2010, reversing a two-year trend of declining receipts over the prior year
- **State aid** continues to show modest annual increases
- **Townwide Expenses** continue to moderate
- General Government **department budgets** (including PFD) are increasing at 1.8%
- Use of **Free Cash** close to actual turnback in FY2011—extraordinary amount at \$5.2 million
- Strong tax levy **new growth** based on remarkable level of building activity



# Revenue Projection Changes

- Tax Levy: 3.8%
- State Aid: 4.4%
- Local Receipts: 4.7%



# State Aid: Governor's Proposal

- Increase in c. 70 School Aid
  - FY2012 \$6,991,720
  - **FY2013 \$7,633,990**
- Level Funding of Unrestricted General Government Aid
  - FY2012 \$1,369,789
  - **FY2013 \$1,369,789**
- Representative Dempsey: “We are not out of the woods...we are facing a challenging environment.” 1.21.2012



# General Fund Revenue Sources

	Actual	Budget	Estimate
	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>
Property Taxes	79.3%	82.0%	81.0%
State Aid	7.7%	7.9%	7.9%
Local Receipts	8.4%	6.5%	6.4%
Other Sources	1.6%	0.7%	0.4%
Free Cash	3.0%	2.9%	4.2%

\*Due to rounding may not total 100%

# FY2013 Budget Recap

Townwide Expenses	\$25,868,068	8.3%
Debt Exclusion	\$7,507,149	0.6%
General Departments	\$24,815,402	2.3%
Public Facilities	\$7,728,053	0.0%
School Department	\$51,007,074	5.2%
Minuteman	\$780,038	38.6%
Warrant Articles	\$38,353	(92.7%)
Appropriate/Other Funds	\$2,084,262	104.9%
Capital Budget	\$2,774,133	62.8%
Other	<u>\$2,616,994</u>	<u>(24%)</u>
<b>Total GF Expenses</b>	<b>\$125,219,526</b>	<b>5.0%</b>

# Budget Proposal:

## Needham Public Schools

- Allocate one time revenue used to balance FY2012 budget -\$500,900
- Additional increase of \$2,004,803
- TM recommendation is 5.2% over appropriated FY12 budget
- School Committee to vote 1/24/2012
- School Committee voted budget included in budget document





# Changes from Budget Requests

- Employee benefits (\$186,687)
- BOS/TM salaries (\$1,109)
- DPW salaries/OT (13,742)
- Municipal lighting (\$23,000)
- PFD energy estimate (\$62,143)
- Needham Public Schools (\$257,751)
- Building Inspection radios (\$2,018)
- Children's Librarian (\$19,615)
- Root zone/Memorial Field (\$17,000)



# Changes from Budget Requests

- GIS monument grid system (\$10,000)
- Landscape beautification (\$10,000)
- Additional hours health coordinator (\$2,160)
- Public Health automobile stipends (\$4,000)
- Public Health professional development (\$1,500)
- Library circulation hours (\$14,343)
- Library network pages (\$8,529)
- Library museum pass software (\$725)



# Budget Highlights

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- Building Inspection substitutes and OT -\$6,900
- PFD administrative specialist hours -\$9,318
- Mental health services -\$10,000
- Library technology replacement -\$16,250
- Tier 2 capital funding - \$960,268
- Athletic Facility Stabilization Fund - \$32,728+
- Field maintenance - \$27,624

# McLeod Field





# McLeod Field





# Conroy Field





# McLeod Field



# McLeod Field





# Conroy Field



# Budget Highlights: Non-Recurring

- Allocation of Nonrecurring Free Cash for one-time expenditures or reserved for future use - \$1,043,150
- Recommended allocation to Athletic Facility Stabilization Fund at a minimum of \$32,728
- Balance of \$1,010,422





# Changes from Budget Requests

- **RTS – (\$57,011)**
  - Overtime (\$20,014)
  - Materials Processing (2/3) (\$16,667)
  - Operating Capital (\$12,000)
  - Solid Waste Disposal (\$8,330)
- **Sewer – (\$14,053)**
  - Overtime (\$14,053)
- **Water – (\$51,731)**
  - Overtime (\$10,231)
  - Expenses (\$41,500)



# Board of Selectmen/Town Manager Budget Priorities Recap

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- Maintenance/Optimization of Existing Town Services
- BOS Goals
- Preservation of Town Assets
- Sustainability
- Coordination and Efficiency
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# Forecast: Optimistic

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